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<b>STARS MANUAL.....</b>	<b>1</b>
<b>TRAVEL.....</b>	<b>1</b>
<b>INTRODUCTION .....</b>	<b>1</b>
<b>CURRENT REVISIONS LOG .....</b>	<b>1</b>
<b>TRAVEL - WHAT IS IT .....</b>	<b>1</b>
<b>TRAVEL - UNDERSTANDING THE BASICS.....</b>	<b>1</b>
STATE BOARD OF EXAMINERS SET POLICIES.....	1
TAXABLE MEALS .....	2
EXCEPTIONS .....	3
TRAVEL EXPRESS – WEB-BASED APPLICATION.....	3
CONSTITUTION, IDAHO CODE, REGULATIONS, AND POLICIES .....	3
<b>TRAVEL - SOLVING COMMON PROBLEMS.....</b>	<b>4</b>
TAXABLE MEALS .....	4
TIPS (EFFECTIVE 7-01-01).....	5
TRAFFIC/PARKING TICKETS.....	5
DECEASED OR INCAPACITATED CLAIMANT/TRAVELER.....	5
HOW DO I GET TO THE FEDERAL RATE INTERNET SITE? .....	5
<b>TRAVEL VOUCHER REQUIREMENTS AND TRAVEL FORMS .....</b>	<b>5</b>
<b>TRAVEL REPORTS - WHAT ARE THEY .....</b>	<b>6</b>

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# STARS MANUAL

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## TRAVEL

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### INTRODUCTION

The State Board of Examiners regulates the travel reimbursement requirements. Current policies and procedures are on the [State Controller Board of Examiners Web site](#). All agencies must follow these regulations and guidelines, with the exception of the Legislature, which is controlled by Idaho Code.

### CURRENT REVISIONS LOG

Effective July 1, 2001, the Board of Examiners adopted the IRS regulations requiring taxation of meal expenses when the travel was only for a partial day (an overnight stay was not required). The Taxable Meals portion of this chapter has been updated as of 2-1-2002 to reflect the processing changes for meal reimbursements necessitated by the adoption of these regulations.

### TRAVEL - WHAT IS IT

Travel expense reimbursements provide the detail information for travel expense transactions for entry into STARS. This information includes the description of mode of travel, meals, lodging, and miscellaneous travel expenditures. The State Board of Examiners sets the state travel policy and procedures.

### TRAVEL - UNDERSTANDING THE BASICS

#### STATE BOARD OF EXAMINERS SET POLICIES

The State Board of Examiners regulates the travel reimbursement requirements and allowances. Current policies and procedures are on the [State Controller Board of Examiners Web site](#). All agencies must follow these regulations and guidelines so you need to become familiar with them.

## TAXABLE MEALS

Internal Revenue Code § 162(a)(2) and Regulation 1.162-2 address the issue of meal reimbursements and essentially hold that the "while away from home" clause of an accountable plan requires that the employee engage in sleep or rest before any expense reimbursement is deductible as an employee business expense and therefore non taxable. See U.S. v. Correll, 389 U.S. 299 (1967). On 02/13/01 Idaho's State Board of Examiners adopted a resolution requiring all agencies to report partial day meal reimbursements paid to their employees for state business travel beginning and ending on the same day. This is effective for travel after June 30, 2001.

Three subobject codes have been established in STARS to accommodate this taxability issue on partial day meal reimbursements. These subobject codes are:

- 5353 (In-State meals taxable)
- 5356 (Out-Of-State meals taxable)
- 5357 (Out-Of-USA meals taxable)

**Note:** These new subobject codes are for employees only (vendor type E), they should not be used for non-state employee payments.

Each agency having employees who will incur partial day meal reimbursement should establish processing cutoff dates so that reimbursements and taxes do not cross calendar years.

Effective July 1, 2001 all partial day meal reimbursements identified with a subobject code noted above will electronically pass from STARS to the Division of Statewide Payroll. Payroll receives this information based on the paying agency and the payee's social security number.

On Wednesday of the week prior to payday, the Division of Statewide Payroll will process these reported payments into the payroll system as a time batch. There will be one batch per agency including all of that agency's employees who received taxable meal reimbursements during the prior 14-day period. Each employee in the batch will be reported with a TFB (Taxable Fringe Benefits) earnings code, which when processed on payroll with the employees regular time will increase the FICA, Federal, State, Retirement and Unemployment grosses for taxing purposes only.

The Division of Statewide Payroll has created the following new reports to assist you in monitoring taxable meals transactions:

- A-443330 Generated TFB Earnings for Taxable Meals
- B-443330 Taxable Meal Error List

The Generated TFB Earnings for Taxable Meals report (A-443330) is the list of employees who will be processed on payroll, or your copy of the batch detail.

**Note:** If the employee is **NOT** being paid on the same payroll that the TFB is processing the Division of Statewide Payroll will delete the TFB earnings and notify the employee's payroll clerk. The payroll clerk will then have to resubmit the TFB earnings on an EIS-107 form or a 081 transaction on a payroll when the employee is being paid.

The Taxable Meals Error List (B-443330) is the notice to the agency that there was something about the payment made in STARS that payroll could not process. If the agency receives this report the problem should be researched and corrected.

The most common reasons for errors can be seen in Solving Common Problems [TAXABLE MEALS](#)

## EXCEPTIONS

There are three exceptions to using the taxable meals subobject codes, even though the expenses meet the criteria to be taxed. These situations are infrequent and because the employees might very possibly have no pay to associate the travel with the Division of Statewide Payroll has recommended that in these circumstances the non-taxable meals subobject codes be used.

- Exception 1: Expenses incurred by board members who have waived their right to compensation for attendance at regularly scheduled board meetings.
- Exception 2: Expenses incurred by boards that meet very infrequently and their members are not paid on any type of regular basis.
- Exception 3: Expenses incurred by some employees of Emergency Medical Services (EMS) of the Department of Health and Welfare. These particular employees meet and are paid perhaps only once or twice a year and yet their jobs require some travel during the year.

## TRAVEL EXPRESS – WEB-BASED APPLICATION

The Travel Express web-based travel reimbursement application and user manual can be found on the [SCO Applications Web site](#). Travel rates and policies are built into the application so you do not have to find them in other sources. It also has an approval system to help with your internal controls.

## CONSTITUTION, IDAHO CODE, REGULATIONS, AND POLICIES

There are several Idaho Code statutes, regulations, and policies regarding travel expenditures. These can be found online in the [Idaho Statutes, Title 67, Chapter 20](#):

- IDAHO CODE 67-2004 - REGULATION OF PER DIEM TRAVELING EXPENSE ALLOWANCES
- IDAHO CODE 67-2006 – VOUCHERS (FOR TRAVEL)

- IDAHO CODE 67-2007 – STANDARD TRAVEL PAY AND ALLOWANCES)
- IDAHO CODE 67-2008 - DETERMINATION OF RATE ALLOWANCE (LODGING, MEALS)
- IDAHO CODE 67-2008A – DETERMINATION OF RATES OF ALLOWANCE – FOREIGN TRAVEL

The following Idaho Code governs travel for the legislature and can be found online in [Idaho Statutes Title 67, Chapter 4](#):

- IDAHO CODE 67-406B - COMPENSATION AND EXPENSES (FOR THE LEGISLATURE)

The following Idaho Constitution article also governs expenses for the legislature and can be found online in the [Idaho Constitution](#):

- CONSTITUTION, ARTICLE III, SECTION 23 - COMPENSATION OF MEMBERS

## **TRAVEL - SOLVING COMMON PROBLEMS**

### **TAXABLE MEALS**

Several scenarios may arise in regards to taxable meals:

- The meal reimbursement was paid by an agency other than the agency in which the employee is actually employed. In this situation, the agency that receives the report should notify the employing agency. The employing agency will have to submit the TFB earnings on an EIS-107 form or a 081 transaction. If the Attorney General's Office is the employing agency, contact that office for assistance.
- The meal reimbursement was paid using a social security number that is not on the payroll system. If the employee has a different social security number in STARS than on the payroll system, the agency should correct the wrong social security number and resubmit the TFB earnings on an EIS-107 form or a 081 transaction with the correct social security number. If the employee has not been set up on payroll yet, the agency will have to wait until the employee is set up and submit the TFB earnings on an EIS-107 form or 081 transaction.
- The meal reimbursement was charged to a non-state employee. Payroll will not have that person on the system and that payment will be in error. When the person on the error list is not an employee, the agency's accounting department will need to make an adjusting entry in STARS to reverse the original transaction and enter a new transaction to code it to the correct subobject code. If a payment is made incorrectly in STARS, when a reversal is put

through in STARS it will be sent through payroll as a negative TFB and reduce the taxable gross by that amount, thus reducing the taxes.

- The meal reimbursement in STARS is charged to a different PCA or Index than from where the employee is normally paid. The taxable fringe benefit for the employee will process in the same funding as the meal reimbursement. If this causes a problem for you, contact the Division of Statewide Payroll.

### **TIPS (EFFECTIVE 7-01-01)**

- **LODGING** - Tips to porters, baggage carriers, bellhops, hotel maids, stewards or stewardesses and others on vessels, and hotel servants in foreign countries are included as part of incidental expenses covered by your per diem allowance.
- **MEALS** - Tips related to meals are covered as part of your per diem meals expenses.
- **TRANSPORTATION** – Tips to taxicab, shuttle, or other public conveyance drivers are reimbursable and are not included as an incidental expense.

### **TRAFFIC/PARKING TICKETS**

Within the regulations mentioned above, there is a section that states, “Employees shall be personally liable for any fines arising from infractions of state and local traffic laws.” Traffic and parking tickets are an infraction of state or local traffic laws and are not reimbursable regardless of whether you are in a personal or state vehicle.

### **DECEASED OR INCAPACITATED CLAIMANT/TRAVELER**

If an employee becomes seriously disabled, the Legislative Services Office allows a knowledgeable person to complete and sign the travel voucher on behalf of the claimant/traveler. However, the travel voucher must contain reasonable costs.

### **HOW DO I GET TO THE FEDERAL RATE INTERNET SITE?**

See <http://www.gsa.gov>.

### **TRAVEL VOUCHER REQUIREMENTS AND TRAVEL FORMS**

If you do not use the Travel Express application, use the [Expenditure Disbursement form \(EXPDISB\)](#) for data entry into STARS, unless your agency has other means of data entry. Use the [Travel form \(TRVL\)](#) as supporting documentation. You may also use a form created by your agency as long as it contains all of the necessary information.

**NOTE:** Most of the expenditure subobjects for travel are under the summary object of Employee Travel Costs (subobjects 5352 – 5399). Reimbursement of amounts greater than those

identified in the travel regulations may result in your agency having to submit information for preparation of an IRS supplemental W-2 as additional income to the employee.

## **TRAVEL REPORTS - WHAT ARE THEY**

Since the Travel data is on the same reports as the general expenditures and disbursements, see the Reports section in the [Expenditure and Disbursements chapter](#).